GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3142
ANSWERED ON:04.08.2016
FDI in Textile Sector
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Will the Minister of TEXTILES be pleased to state:

(a) the details of Foreign Direct Investment (FDI) made in textile sector during each of the last three years and the current year;

(b) the sub-sector/fields in which FDI has been made;

(c) whether the Government has taken measures to ensure the benefit of FDI accrue to whole chain of textile sector i.e. from artisans/weavers/textile workers to industrialists and if so, the details thereof; and

(d) the impact of FDI in overall development of textile sector?

Answer

MINISTER OF STATE FOR TEXTILES
(SHRI AJAY TAMTA)

(a) & (b): The amount of the Foreign Direct Investment (FDI) made in the textile sector during each of the last three years and current year is given below:

Year FDI (in US $ million)
2013 − 14 198.86
2014 − 15 197.42
2015 − 16 215.90
2016-17(Apr-May)9.50
Source: DIPP

FDI in textiles has largely been received in the segments of garmenting (74%), weaving (3%)and technical textile sector(9%) in 2013-14.

(c) to (d): Yes Madam. The Government provides for 100% FDI under the automatic route in the textile sector without any prior approval from the Government or RBI. As far as retail segment is concerned, the Government has ensured that the interest of the domestic and traditional industries encompassing craftsman, weaver etc. is protected by ensuring investment in backend infrastructure besides earmarking of 30% procurement from MSME units by the investor.

FDI facilitates flow of capital, technology, skill and best practices, and also ensures flow of indirect benefits such as enhanced production, exports and employment generation in the recipient country.
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